

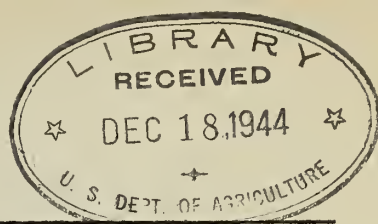
## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



1.942  
48 Am 12  
Cap 2

UNITED STATES DEPARTMENT OF AGRICULTURE  
Agricultural Marketing Administration



No. 11

AMA "WAR BOARD" LETTER

Wash., D.C., Mar. 2, 1942

AMA IS MOVING FORWARD RAPIDLY to put the recently announced Southern egg marketing program into effect. Contract forms for the agreement with local refrigerated warehouses are about ready to leave Washington. Steps are also being taken to speed up necessary inspection service. A special school for graders from States where extra help is most urgently needed is scheduled for Baton Rouge, Louisiana next week. Under the program, eggs will be sold by local groups to the approved warehouses in lots of ten cases or more, with agreed minimum prices. AMA Purchase Division will in turn pick up the eggs from the warehouses. Net result will be to get cash markets and price support much closer to local farmers than has ever been possible before. Program detail, as rapidly as developed, is being sent to State War Board Chairmen, AMA War Board representatives, and State Extension Directors. Most queries can now be answered locally within each State.

SUMMARY OF MILK SITUATION: Inquiries concerning movement of L-L supplies of evaporated milk and requests for information concerning the long-range increased production program have been received from WB's during the past week. The following telegram sent the Indiana WB sums up the present situation:

"During past year evaporated milk and cheese industries have greatly increased production. Present rate output evaporated somewhat greater than necessary to reach evaporated production goal. In some cases plants manufacturing evaporated and cheese operating at about capacity at present time. Best information available indicates practically all areas have adequate facilities for processing butter. Need divert more milk to produce dry skim. In past month Department made some adjustments in prices paid for Lend-Lease dairy products. As result prices evaporated milk and cheese more nearly in line usual relationship with butter.

"Department purchases dairy products continuing. Purchases dry skim milk still far behind schedule. Purchases evaporated milk March 15 January 1 total 17,592,280 cases; moved under Lend-Lease 10,196,701 cases. Cheese purchases same date 167,638,723 pounds; moved 91,033,833 pounds. Same date dry skim milk 38,776,820 pounds; moved 29,327,775 pounds. Department moving products from processing plants to storage warehouses as rapidly as possible. Situation only temporary with coming flush season. No change necessary in long-time production program. Demand outlook for dairy products still continues favorable."

In addition to the above the SMA warehousing section says that short range (up to 60 days) view of storage situation appears good except in some port cities. Warehouse companies have indicated they have available space since commercial demand for storage is dropping. Warehousing section now giving regional purchasing offices shipping instructions within 24 hours after notification received here that commodities available for shipping. Increased storage of cheese expected soon as cooler space is becoming more available.

If given Interstate Commerce Commission and railroad concurrence, plans now being laid by SMA's Transportation Division on behalf of agricultural groups will likely relieve short position of coast storage space. TD now trying to work out with ICC and carriers arrangements for establishing stopping-in-transit-for storage tariffs for long-distance shippers of foodstuffs. If such tariffs are published, TD believes shippers will make wider use of storage facilities in interior points.

EGG PRICE SUPPORT AT NATIONAL TERMINAL MARKETS is on somewhat different basis for current period. On Feb. 10 the Department announced that eggs would be purchased on New York and Chicago Mercantile Exchanges at certain minimum prices during the remainder of February. (Copy this announcement was mailed SMA WB members on Feb. 14.) On Feb. 28 announcement was made that purchases would be continued on New York and Chicago Exchanges, but without advance announcement of "floor" prices. These purchases are one of several methods employed by USDA to assure farmers not less than 85% of parity for eggs. Other price supports are extensive buying dried eggs for L-L shipment; purchases to be made soon of US wholesale grade eggs for school lunch and direct distribution and eggs on Food Stamp list. Background: Feb. 15 average farm price of eggs was 99 percent of parity. While present level egg prices obviates necessity of advance announcement of prices at which eggs will be purchased on exchanges, the Dept. is prepared, as in past, to make immediate purchases to prevent price declines out of proportion to normal seasonal changes. If market conditions warrant during current period of heavy production Dept. may again announce "floor" prices as was done in Feb. 10-28 period.

REVISION OF CALIFORNIA-ARIZONA ORANGE MARKETING PROGRAM was requested by growers at a meeting in Los Angeles, California, which was attended by Administrator Hendrickson on February 9 and 10. It is now expected that a public hearing on a revised agreement will be held in California in the near future. The agreement, as revised, would regulate interstate shipments and shipments to Canada, and would apply only to oranges.

ANNOUNCEMENTS ASKING BIDS FOR FUTURES DELIVERIES OF CANNED PEAS AND TOMATOES will be sent to packing trade within near future. (See SMA WB Letters of Jan. 31, Feb. 9 and Feb. 20.) Situation now clarified and requests for offers be sent as soon as seems necessary.

DIRECT DISTRIBUTION of commodities to families by SMA reached a total of 4,500,000 persons in January (also preliminary). About 3,600,000 of those reached were in continental US. Rest in Hawaii and Puerto Rico.

SCHOOL LUNCH PROGRAM reached 5,850,000 children in 88,000 schools during Jan. New record high and 46% above January 1941. About 70% of total children received complete lunches. Remainder received fruits and juices or other foods served as supplemental lunch in schools without cooking facilities.

ISSUANCE OF BLUE STAMPS in January totaled \$9,423,000 according to preliminary figures. About 3,529,000 persons in 1,047 counties and 78 city areas benefited from Food Stamp program during the month. Increase of \$34,000 in stamps issued and 68,000 more participants than in December.

CANNERS OF MAINE SARDINES at a meeting in Bangor, on Feb. 18, were requested to supply the Government, for Lend-Lease purchases, 2/3 of their production during the coming season, with the provision that this percentage might be adjusted to meet any unexpected changes such as an extremely short pack or a revision of Lend-Lease requirements.

SUGGESTED READING: Presidential Order and USDA announcement of consolidation of SMA, AMS and CMA into new Agricultural Marketing Administration. (Mailed WB members on Feb. 28.)

SMA REPRESENTATIVES ON USDA WAR BOARDS: Queries or needs for spot information may be sent directly to Administrator Hendrickson, SMA, Washington, D. C.